May sales figures for new cars in the UK show an interesting story…

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Ford Puma – No. 1 best seller in UK in May 2025. Photograph © Robin Roberts and WheelsWithinWales.

Heavy discounting by car-makers is pushing fleet and businesses drivers into electric cars, writes Robin Roberts (and WheelsWithinWales).

Private buyers still prefer to have petrol or diesel engines, according to the May registration figures.

Registrations of petrol cars are higher than the combined figures for pure battery, plug-in and mild hybrid electric models and that's without the diesel models still being registered by cost conscious and high mileage drivers.

Now the industry has welcomed the slight uplift in registrations in May but renewed its call for VAT to be cut on public chargepoints and luxury car tax ceiling to be raised for EVs to boost their takeup.

In April, new EVs had to pay roadtax for the first time and this is seen as a further barrier to adoption, particularly among private users.

The UK's new car market returned to growth in May, as registrations rose 1.6% to 150,070 units, according to the Society of Motor Manufacturers and Traders (SMMT).

It was the best May performance since 2021, but still -18.3% lower than in pre-pandemic 2019 and only the second month of growth this year, reflecting brittle consumer confidence and economic turbulence.

Fleets and businesses drove the growth, up 3.7% and 14.4% respectively and responsible for 62.6% of registrations, while interest from private buyers fell for the second consecutive month, down -2.3%. There were double digit declines in deliveries of both petrol and diesel cars – down -12.5% and -15.5% – while demand for the latest electrified models increased dramatically to take a combined 47.3% market share.

Uptake of hybrid electric vehicles (HEVs) grew by 6.8% to 20,351 units, while plug-in hybrid electric vehicles (PHEVs) were up more than half (50.8%) to 17,898. Registrations of battery electric vehicles (BEVs), meanwhile, rose by 25.8%, accounting for 21.8% of the market as manufacturers continued to support sales with attractive incentives.

Despite this, BEV registrations year-to-date have only reached 20.9% market share – still seven percentage points off the 28% mandated by regulation. Moreover, significant discounting is still ongoing despite new model introductions and increasingly affordable offerings.

While recent adjustments to the ZEV Mandate were welcome, the current market situation is unsustainable for a sector already facing multiple cost pressures.

Manufacturers are investing billions to deliver zero emission mobility for all, and consumers are responding but not in the volumes needed – so industry calls on government to match this commitment with fiscal incentives. Halving VAT on new EV purchases would put 267,000 additional new EVs – rather than fossil fuel vehicles – on the road in the next three years and drive down CO_2 emissions by six million tonnes a year. Removing EVs from the VED Expensive Car Supplement, meanwhile, and equalising VAT paid on public charging to that levied at home would send a signal that now is the time to switch.

Mike Hawes, SMMT Chief Executive said, “A return to growth for new car registrations in May is welcome but manufacturer discounting on new products continues to underpin the market, notably for electric vehicles. This cannot be sustained indefinitely as it undermines the ability of companies to invest in new product development.”

May Top Ten in UK

Ford Puma

Kia Sportage

Nissan Qashqai

Nissan Juke

Vauxhall Corsa

MG ZS

VW Polo

Hyundai Kona

Peugeot 2008

Mini Cooper